



FY 2020 OPERATING BUDGET

FINANCE & RESOURCE DEVELOPMENT
COMMITTEE MEETING

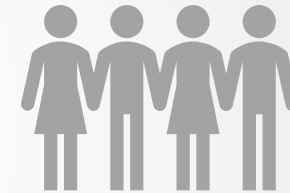
SEPTEMBER 13, 2019

NEW BUDGET APPROACH



PROGRAM SERVICES (LINES OF BUSINESS)

- Lending (5)
- Research & Information (4)
- Knowledge Sharing (3)
- Advocacy & Outreach (3)



SUPPORTIVE SERVICES

- Fundraising (5)
- Management & General (2)

CAVEATS

1

Not division budgeting

- Staff within divisions may work across lines of business
- Allocation of staff time to lines of business is a “best guesstimate”

2

Not grant/contract budgeting

- Grants/contracts can support multiple lines of business
- Separate budgets are maintained for each grants/contracts

3

Some budget line items reflect no reductions but potentially can be reduced after necessary due diligence is completed and decisions are made.

4

Mandatory changes required

- Accounting system
- Reporting
- ADP/payroll

5

“Growing pains” related to changing the culture/mindset of how we track what we do

BUDGET STEPS



BUDGET PROJECTIONS

Revenues and Support

- Active grants/contracts*
- Funding applications/proposals submitted*
- Opportunities*
- Prior year grants available
(releases from restrictions)

Expenses

- Normal/reoccurring
- Contractual deliverables
- Planned activities *(may be contingent on receipt of funding)*

SUPPORT: NET ASSETS RELEASED FROM RESTRICTIONS

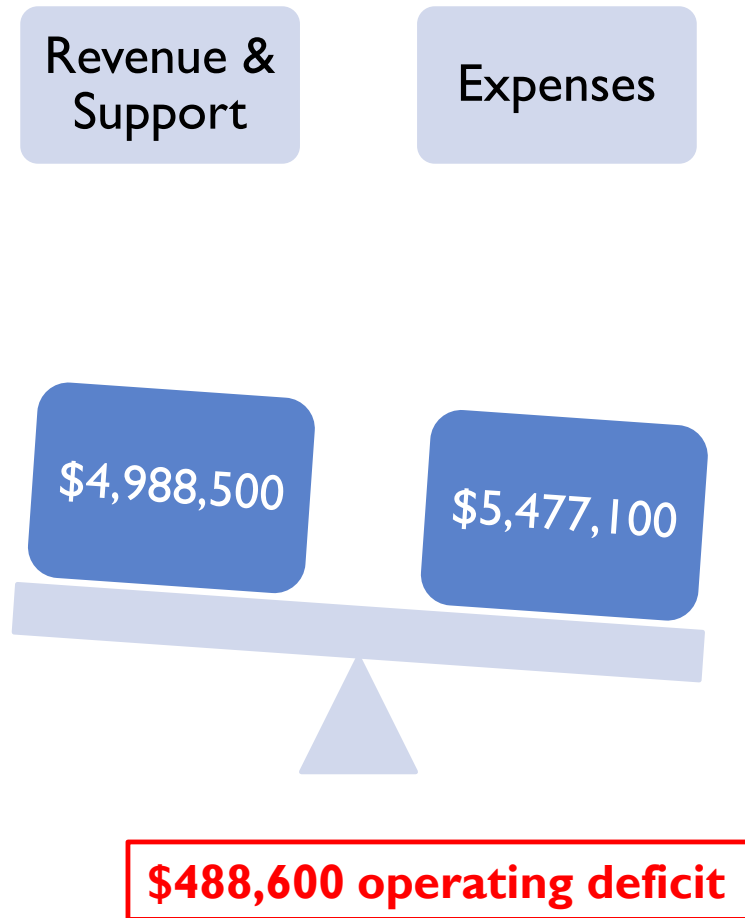
	2018	2019	2020
Revenue recognized	\$300,000		
Expenses		\$100,000	\$200,000
TRNA (with donor restrictions) Released from Restrictions (from TRNA to URNA)	\$300,000	(\$100,000)	(\$200,000)

NET FINANCING INCOME



- HAC is a CDFI – more transparency
- Audits and current interim financial statements don't clearly disclose this information.
- Financing components
 - + Interest earned on loan portfolio (outstanding loans)
 - + Interest earned on loan fund investments (money in the bank)
 - Interest expense on notes payable (outstanding debt)
 - Provision (reduction) in loan losses (bad debt on outstanding loans)

FY 2020 BUDGET RESULTS



	FY 2019 Budget	Actual (07/31/2019)
Revenue & Support	\$4,482,560	\$3,754,313
Expenses	5,185,493	4,278,203
	(\$702,933)	(\$523,890)